

# HOUSE BILL 680

Q7

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By: **Delegates Ross, Barnes, Healey, Kaiser, and Walker**

Introduced and read first time: February 1, 2008

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Arts and Entertainment Districts - Tax Benefits - Jewelry and Clothing**  
3 **Designers**

4 FOR the purpose of altering the definition of artistic work for the purpose of certain  
5 tax benefits available in certain arts and entertainment districts; and generally  
6 relating to tax benefits and arts and entertainment districts.

7 BY repealing and reenacting, with amendments,  
8 Article 83A – Department of Business and Economic Development  
9 Section 4–701  
10 Annotated Code of Maryland  
11 (2003 Replacement Volume and 2007 Supplement)

12 BY repealing and reenacting, without amendments,  
13 Article – Tax – General  
14 Section 10–207(a)  
15 Annotated Code of Maryland  
16 (2004 Replacement Volume and 2007 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Article – Tax – General  
19 Section 10–207(v)  
20 Annotated Code of Maryland  
21 (2004 Replacement Volume and 2007 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
23 MARYLAND, That the Laws of Maryland read as follows:

24 **Article 83A – Department of Business and Economic Development**

25 4–701.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) (1) In this section the following words have the meanings indicated.

2 (2) (i) “Artistic work” means an original and creative work,  
3 whether **CREATED**, written, composed, or executed, that falls into one of the following  
4 categories:

5 1. A book or other writing;

6 2. A play or performance of a play;

7 3. A musical composition or the performance of a  
8 musical composition;

9 4. A painting or other picture;

10 5. A sculpture;

11 6. Traditional or fine crafts;

12 7. The creation of a film or the acting within a film; [or]

13 8. The creation of a dance or the performance of a dance;

14 **OR**

15 **9. THE CREATION OF ORIGINAL JEWELRY,**  
16 **CLOTHING, OR CLOTHING DESIGN.**

17 (ii) “Artistic work” includes any product generated as a result of  
18 any of the categories listed under subparagraph (i) of this paragraph.

19 (iii) “Artistic work” does not include [any]:

20 **1. ANY** piece or performance created or executed for  
21 industry-oriented or industry-related production; **OR**

22 **2. TAILORING SERVICES OR CLOTHING ALTERATION.**

23 (3) “Arts and entertainment district” means a developed district of  
24 public and private uses that:

25 (i) Ranges in size from a portion of a county or municipal  
26 corporation to a regional district with a special coherence; and

27 (ii) Is distinguished by physical and cultural resources that play  
28 a vital role in the life and development of the community and contribute to the public  
29 through interpretive, educational, and recreational uses.



1 10-207.

2 (a) To the extent included in federal adjusted gross income, the amounts  
3 under this section are subtracted from the federal adjusted gross income of a resident  
4 to determine Maryland adjusted gross income.

5 (v) (1) In this subsection, “artistic work”, “arts and entertainment  
6 district”, and “qualifying residing artist” have the meanings stated in Article 83A, §  
7 4-701 of the Code.

8 (2) The subtraction under subsection (a) of this section includes the  
9 amount of income derived within an arts and entertainment district by a qualifying  
10 residing artist from the publication, production, or sale of an artistic work that the  
11 artist **CREATED**, wrote, composed, or executed in the arts and entertainment district.

12 (3) For the purpose of determining whether income is derived within  
13 an arts and entertainment district for the purpose of this subsection, a qualifying  
14 residing artist shall allocate receipts and expenses as the Comptroller may require.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
16 July 1, 2008.